

more than twelve months, without such consent, but no such notes shall in whole or in part, directly or indirectly, be refunded by any issue of stock or bonds, or by any evidence of indebtedness running for more than twelve months, without the consent of the commission; provided, however, that the commission shall have no power to authorize the capitalization of any franchise to be a corporation or to authorize the capitalization of any franchise or right to own, operate or enjoy any franchise whatsoever in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as a consideration for the grant of such franchise or right; nor shall the capital stock of corporations, formed by the merger or consolidation of two or more other corporations, exceed the sum of the capital stock of the corporations so consolidated, at the par value thereof, or such sum and any additional sum actually paid in cash; nor shall any contract for consolidation or lease be capitalized in the stock of any corporation whatever; nor shall any corporation hereafter issue any bonds, against or as lien upon any contract for consolidation or merger.

1910, ch. 180, sec. 34 (p. 380). 1918, ch. 408, sec. 34.

**448.** A gas corporation or electrical corporation organized or existing, or hereafter incorporated, under or by virtue of the laws of the State of Maryland, may issue stocks, bonds, notes or other evidences of indebtedness payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of its plant or distributing system, or for the improvement or maintenance of its service, or for the discharge or lawful refunding of its obligations, or when necessary or desirable, in the discretion of the commission, to cause the aggregate capitalization to conform to the fair value of the property of such corporation as established by the commission pursuant to the provisions of section 442; provided, and not otherwise, that there shall have been secured from the commission an order authorizing such issue, and the amount thereof, and stating that in the opinion of the commission, the use of the capital to be secured by the issue of such stock, bonds, notes or other evidences of indebtedness is reasonably required for the said purposes of the corporation. For the purpose of enabling it to determine whether or not it should issue such an order, the commission shall make such inquiry or investigation, hold such hearings and examine such witnesses, books, papers, documents or contracts as it may deem of importance in enabling it to reach a determination. Such gas corporation or electrical corporation may issue notes, for proper corporate purposes, and not in violation of any provision of this sub-title or any other Act, payable at periods of not more than twelve months without such consent; but no such notes shall, in whole or in part, directly or indirectly, be refunded by any issue of stock or bonds or by any evidence of indebtedness running for more than twelve months without the consent of the commission; provided, however, that the commission shall